

Message Text

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ACTION PM-07

INFO OCT-01 EA-11 ISO-00 CIAE-00 INR-10 NSAE-00 RSC-01

DODE-00 L-03 MC-02 TRSE-00 AID-20 IGA-02 DRC-01 SSO-00

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O R 161047Z MAY 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 3519

INFO CINCPAC HONOLULU

C O N F I D E N T I A L MANILA 5769

E.O. 11652: GDS

TAGS: MASS, RP, US

SUBJECT: M-16 RIFLE FACILITY CREDIT AGREEMENT

REF: STATE 101345

1. PRIOR TO RECEIPT REFTEL, EMBASSY HAD DISCUSSED SHIPPING ARRANGEMENTS BY TELEPHONE WITH DOD REP BERNARD OXMAN. AT HIS SUGGESTION, WE HAD PROPOSED TO GOP THAT PARA 4(A) IN CREDIT AGREEMENT REMAIN AS STATED IN STANDARD AGREEMENT AND THAT SIDE LETTER BE USED TO EXPAND ON USG FLEXIBILITY IN PERMITTING UP TO 50 PERCENT OF FMS-FINANCED MATERIAL TO BE CARRIED ON SHIPS OF PHILIPPINE REGISTRY.

2. TEXT OF PROPOSED LETTER AS PASSED TO GOP FOR COMMENT IS AS FOLLOWS:

QUOTE (PARA ONE) REFERENCE IS MADE TO THE CREDIT AGREEMENT THAT WAS SIGNED ON -----BETWEEN OUR TWO GOVERNMENTS AND SPECIFICALLY TO PARA 4(A) OF THAT AGREEMENT RELATING TO THE OCEAN TRANSPORTATION OF DEFENSE ARTICLES ON VESSELS OF U.S REGISTRY AND THE AGREEMENT OF THE U.S. TO GIVE SYMPATHETIC CONSIDERATION TO REQUESTS OF THE GOP FOR SHIPMENT OF SUCH MATERIAL ON VESSELS OF PHILIPPINE REGISTRY.

QUOTE (PARA TWO) PURSUANT TO THE INTENT OF THE ABOVE-
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CITED PARAGRAPH, AND IN LINE WITH THE ORAL ASSURANCES CONVEYED

BY MR. BERNARD P. OXMAN, DIRECTOR, EAST ASIAN/LATIN AMERICAN DIVISION, DEFENSE SECURITY ASSISTANCE AGENCY, DURING THE NEGOTIATIONS OF THE MEMORANDUM OF UNDERSTANDING, THE U.S. GOVERNMENT UPON REASONABLE NOTIFICATION BY THE GOOP THAT VESSELS OF GOP REGISTRY ARE AVAILABLE TO TRANSPORT DEFENSE ARTICLES PURCHASED UNDER THE CREDIT AGREEMENT, IS AGREEABLE TO ALLOW UP TO 50 PERCENT OF SUCH MATERIAL TO BE TRANSPORTED ON GOP REGISTERED VESSELS.

QUOTE (PARA THREE) IT IS UNDERSTOOD THAT SUCH NOTIFICATION BY THE GOP INCLUDES THE ASSURANCE THAT ALL SECURITY REQUIREMENTS WILL BE MET AND THE TIMELY AND SAFE TRANSPORTATION WILL BE THE RESPONSIBILITY OF THE GOP. UNQUOTE

LU3. LETTER HAS BEEN REVIEWED AND ACCEPTED BY PRESIDENT MARCOS AND ALL CABINET OFFICERS CONCERNED. UNLESS DEPARTMENT HAS SPECIFIC OBJECTIONS TO CONCEPT OR CONTENT OF LETTER, WE INTEND SUBMIT IT TO GOP AT SIGNING OF CREDIT AGREEMENT.

4. MOU SIGNING NOW SET FOR 0930 TOMORROW AND WE HOPE TO SIGN CREDIT AGREEMENT AT SAME TIME.
SULLIVAN

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Message Attributes

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